

Message Text

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ACTION EUR-12

INFO OCT-01 EA-10 IO-13 ISO-00 CIAE-00 DODE-00 PM-05

H-01 INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01

SP-02 SS-15 USIA-06 ACDA-12 AID-05 COME-00 EB-08

FRB-03 TRSE-00 XMB-02 OPIC-03 LAB-04 SIL-01

OMB-01 /121 W

-----016353 271533Z /44

R 271457Z DEC 77

FM AMEMBASSY PARIS

TO SECSTATE WASHDC 3591

INFO AMEMBASSY LONDON

AMEMBASSY ROME

AMEMBASSY BRUSSELS

AMEMBASSY THE HAGUE

AMEMBASSY BONN

AMEMBASSY MOSCOW

AMEMBASSY TOKYO

USMISSION USNATO

USMISSION GENEVA

C O N F I D E N T I A L PARIS 37582

USEEC ALSO FOR EMBASSY

E.O. 11652: GDS

TAGS: EFIN, EEWT, FR, UR, IT

SUBJ: FRENCH-USSR CREDIT AND TRADE AGREEMENTS.

REFS: A. MOSCOW 18006; B. MOSCOW 17504; C. PARIS 35726;

D. PARIS 30064

1. FRENCH MINISTRY FOR FOREIGN TRADE OFFICIAL IN
INFORMAL EXCHANGE WITH EMBOFF HAS CONFIRMED THAT LETTER
OF AGREEMENT HAS BEEN EXCHANGED WITH USSR EXTENDING
PREVIOUS EXPORT CREDIT INTEREST RATES THROUGH 1978,
AT WHICH TIME A NEW CREDIT INTEREST ACCORD WILL BE
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NEGOTIATED. MINISTRY OFFICIAL STRESSED THAT FRANCE
DID NOT PERMIT CONTINUATION OF PRESENT RATES THROUGH
END OF 1979 -- AN OPTION IT COULD HAVE EXERCISED
WITHIN FRAMEWORK OF BASIC FIVE-YEAR CREDIT ACCORD
REACHED WITH USSR IN 1974. HE ALSO NOTED THAT LETTER
WAS SIGNED AFTER ITALIANS HAD REACHED THEIR OWN NEW
CREDIT ACCORDS WITH USSR.

2. OFFICIAL CONTINUED THAT ABOUT 2.5 BILLION FRANCS REMAIN TO BE DRAWN DOWN FROM THE ORIGINAL 12.5 BILLION FRANCS COVERED IN THE 1974 FIVE-YEAR CREDIT ACCORD. (N.B.: IN ADDITION TO THIS FIGURE, 1.3 BILLION FRANCS OF SPECIALLY EARMARKED EXPORT CREDITS REMAIN AVAILABLE FROM FRANCE IN CONJUNCTION WITH THE TRIANGULAR IRANIAN GAS PIPELINE AGREEMENT.) FRENCH AGREED IN THE NEW LETTER OF EXCHANGE WITH USSR THAT ADDITIONAL CREDITS WOULD BE PROVIDED DURING 1978 IF CURRENTLY REMAINING 2.5 BILLION FRANCS WERE EXHAUSTED.

3. AT USSR INSISTENCE, FRENCH EXCLUDED FROM LETTER OF AGREEMENT THE CONDITION WHICH FRENCH HAD PREVIOUSLY INSISTED UPON, VIZ: THAT USSR ASSURE 10 BILLION FRANCS WORTH OF FRENCH EXPORT CONTRACTS DURING 1978. USSR OBJECTED THAT PUTTING A SET VALUE ON CONTRACTS TO BE SIGNED HAD LITTLE MEANINGFUL PURPOSE. FRENCH OFFICIAL SAID THAT NO NEW CONTRACTS HAD BEEN CONCLUDED SINCE THE SIGNING OF THE NEW CREDIT AGREEMENT AND NO NEW UPSURGE IN CONTRACTS APPEARED ON THE HORIZON.

4. OFFICIAL REPORTED THAT PRIME MINISTER BARRE HAD RESPONDED BY LETTER TO U.K. CHANCELLOR OF THE EXCHEQUER DENIS HEALEY'S INQUIRY (REPORTED IN REF D) REGARDING FRENCH EXPORT INTEREST RATES TO USSR.
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CONTENTS OF THE LETTER WERE NOT REVEALED.

5. FRENCH OFFICIAL REPORTED THAT USSR CONTINUED TO URGE FRANCE TO INCREASE ITS PETROLEUM PURCHASES FROM THEM. HE COMMENTED THAT HE THOUGHT FRANCE MIGHT MAKE A SLIGHT INCREASE IN PURCHASES BUT IT WOULD NOT BE OF REAL SIGNIFICANCE. REPRESENTATIVES FROM THE FRENCH FIRM ELF-AQUITAINE WERE RECENTLY IN MOSCOW TO DISCUSS POSSIBLE SOVIET FRENCH VENTURE TO EXTRACT PETROLEUM FROM BARENTS SEA REGION. HOWEVER, NEGOTIATIONS ARE NOT PROGRESSING WELL BECAUSE OF USSR RELUCTANCE TO AGREE TO HAVING FRENCH TECHNICIANS PARTICIPATING IN ON-THE-SPOT PETROLEUM EXPLORATIONS.
HARTMAN

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NNN

Message Attributes

Automatic Decaptioning: X
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Current Classification: UNCLASSIFIED
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Control Number: n/a
Copy: SINGLE
Sent Date: 27-Dec-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Executive Order: GS
Errors: N/A
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Film Number: D770482-0094
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From: PARIS
Handling Restrictions: n/a
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ISecure: 1
Legacy Key: link1977/newtext/t19771216/aaaaampt.tel
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Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 775c0efd-c188-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: CONFIDENTIAL
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Original Previous Classification: n/a
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Review Release Event: n/a
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Review Withdrawn Fields: n/a
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Subject: FRENCH-USSR CREDIT AND TRADE AGREEMENTS.
TAGS: EFIN, EEWT, FR, UR, IT
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vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/775c0efd-c188-dd11-92da-001cc4696bcc
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